

**SECURITY AGREEMENT  
(CHATELS)****SEP 12 1975-11 25 AM****Relco Equipment, Inc.**

Debtor **804 East Cass Street**  
 Address  
**Joliet Will Illinois**  
 City County State

INTERSTATE COMMERCE COMMISSION  
 ITT INDUSTRIAL CREDIT COMPANY

Secured Party (Lender)  
**Rolling Meadows, Illinois**  
 City State  
**\$ 24,000.00**  
 Amount as of Date **August 6, 1975**

KNOW ALL MEN BY THESE PRESENTS, that the undersigned debtor hereinabove named, in consideration of and for the purpose of securing the payment of all just indebtedness and obligations, according to the conditions of a certain promissory note or other evidence of obligation, dated as above and any other note or evidence of obligation hereafter given, does hereby grant the Secured Party, its successors and assigns, a security interest, pursuant to the Uniform Commercial Code, in all that certain personal property described specifically and generally below in Schedule "A" (all of which property is herein referred to as "Collateral") to secure the payment of said indebtedness and obligations, any and all sums hereafter advanced and expenditures hereafter made by the Secured Party under the provisions of this Agreement, and any and all indebtedness and obligations of Debtor to Secured Party whether now existing or hereafter incurred.

Debtor represents, warrants and agrees that:

(1) Debtor is the absolute owner and is in possession of all of the Collateral, and except for any lien or encumbrance noted in Paragraph (a) below and the security interest granted herein, the Collateral and each item thereof is free and clear of all security interests, liens and encumbrances and adverse claims of any kind or nature whatsoever.

(2) The Collateral is presently located and is customarily kept on or about the premises of Debtor's address as hereinabove set forth except as noted in Paragraph (b) below.

(3) Debtor will not, without the prior written consent of Secured Party, sell or pledge the collateral or any part thereof nor submit or subject it to any unpaid charge or encumbrance, including taxes, nor remove or permit the removal thereof from its present location except to the extent noted in Paragraph (b) below.

(4) The "Additional Provisions" set forth on the reverse side hereof shall constitute an integral part of this Security Agreement with the same force and effect as though set forth at length on this front side hereof.

(5) In the event of repossession after any default as defined herein, Debtor hereby waives notice of and opportunity for hearing.

**SCHEDULE A**

**4 Alco-GE model 539 1000 HP standard switching locomotives #'s 1029, 1030, 1031, 719**

together with all parts, accessories, repairs, improvements and additions thereto now or hereafter at any time made or acquired, all substitutes or replacements of the said Collateral made by Debtor (which, however, may be made only with the written consent of Secured Party during the term of this Security Agreement) and any and all other personal property now owned or hereafter acquired at any time by Debtor.

(a) The Collateral is free and clear of all liens and encumbrances except: **no exceptions**


(b) The Collateral is located and customarily kept at Debtor's address as set forth above except: **various locations**

(c) The following items were or are to be purchased with the proceeds of the loan secured hereby **none**

The undersigned Debtor (or if there are two or more Debtors, one of them) acknowledges receipt of a copy of this Security Agreement, and acknowledges that at the time of signing this Security Agreement on the above date, all blank spaces on this Security Agreement were filled in.

ITT INDUSTRIAL CREDIT COMPANY  
 (Secured Party)

By: 

Debtor **Relco Equipment, Inc.**  
  
 Signature and Title

Signature and Title



## ADDITIONAL PROVISIONS

- 1.) Debtor shall keep the Collateral insured against fire with extended or combined additional coverage for the full insurable value thereof and against such other risks in such amounts as Secured Party may specify, all such fire and other insurance to protect Secured Party's interests with a long form endorsement to Secured Party.
- 2.) If Debtor leases or rents any item of Collateral, Secured Party shall have a security interest in all rents paid or due to Debtor with respect to such Collateral and in the event of default by Debtor hereunder, Secured Party shall have the right in its own name to collect such rentals directly from the party owing same. Debtor shall not lease or rent any item of Collateral without prior written consent of Secured Party.
- 3.) If Debtor fails to make any payment or do any act as herein required, then Secured Party, at its option, may make such advancements or expenditures and do such acts as Secured Party may deem necessary to protect its security and Debtor hereby agrees to pay immediately all sums so expended by Secured Party together with interest from the date of expenditure at the same rate charged on the loan described on the front side of this Security Agreement.
- 4.) If Debtor shall default in the payment of any of the indebtedness, obligations or liabilities secured hereby, or shall default in the performance of any agreement herein contained, or if any breach be made of any obligation, promise, declaration or warranty of Debtor herein contained or secured hereby, or if a petition is filed by or against Debtor under any of the laws of the United States relating to Bankruptcy, or Reorganizations, or Arrangements, or if Secured Party, in good faith deems itself insecure, Secured Party, at its option, without demand upon or notice to Debtor, may declare all indebtedness, obligations and liabilities secured hereby, to be immediately due and payable, and Secured Party shall have all the rights and remedies granted to a Secured Party under the Uniform Commercial Code, including, without limitation the right to require Debtor to assemble the Collateral and make it available to Secured Party at a place designated by Secured Party and to enter upon the premises where the Collateral, or any part of it may be, and take possession thereof, Debtor hereby WAIVING NOTICE AND OPPORTUNITY FOR HEARING. Waiver of any default shall not be deemed a waiver of any subsequent default.
- 5.) In the event Secured Party takes possession of the Collateral, or any part thereof, and same is sold at a public or private sale, Secured Party shall deduct and retain from the proceeds of such sale or sales all costs, expenses, charges paid or incurred in the taking, removal, handling and sale of said property, or otherwise incurred in connection therewith, including reasonable attorney's fees incurred or paid by Secured Party; the balance of the proceeds shall be applied by Secured Party upon the indebtedness, obligations and liabilities secured hereby, in such order and manner as Secured Party may determine; any surplus shall be paid to Debtor or the persons lawfully entitled thereto and Debtor agrees to pay Secured Party any deficiency.
- 6.) If suit be brought, or any proceedings instituted on this agreement, there shall be due from Debtor to Secured Party, immediately upon the commencement thereof, a reasonable attorney's fee in said action or proceeding, which sum is hereby secured. In any such action, plaintiff shall be entitled to the appointment of a receiver, without notice, to take possession of the Collateral and to exercise such powers as the Court shall confer upon him.
- 7.) Any requirement of reasonable notice to Debtor shall be met if such notice to such Debtor is deposited in U.S. mail by certified mail, postage prepaid to the address of Debtor, as hereinabove set forth (or to such other address as Debtor may have requested in writing), at least seven (7) days before the time of the event set forth in such notice.
- 8.) Publicity for any public sale shall be deemed commercially reasonable if such sale is advertised once, not less than seven (7) days nor more than twenty (20) days, prior to the date of sale, in the classified advertising section of a daily or weekly newspaper circulated in the community where the sale is to be held.
- 9.) At request of Secured Party, Debtor will execute one or more financing statements giving notice of this Security Agreement and Debtor hereby authorizes and empowers Secured Party to execute such financing statement or statements for and in the name of Debtor.
- 10.) If more than one Debtor executes this Agreement, the word Debtor herein and all words used with reference to Debtor shall be deemed to be plural, and their obligations shall be joint and several.
- 11.) Each married woman who joins in executing this Agreement and any note or notes secured thereby, hereby agrees and expressly assents, to the liability of her separate property for all her debts and obligations herein mentioned.

STATE OF Illinois

COUNTY OF Will

On this 22<sup>ND</sup> day of August, 19 75, before me personally appeared George F. Bachman, to me personally known, who being by me duly sworn, says that he is the PRESIDENT of Relco Equipment, INC., (office)  
(name of corporation)

that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Ruth C. Lynott  
Notary Public

My Commission expires Nov 29, 1975

STATE OF Illinois

COUNTY OF McHenry

On this 22<sup>ND</sup> day of August, 19 75, before me personally appeared N. F. Lynott, to me personally know, who being by me duly sworn, says that he is the Reg. Mgr. of I.T.I. Industrial Credit Co., (office)  
(name of corporation)

that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Ruth C. Lynott  
Notary Public

My Commission expires Nov. 29, 1975.